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THESIS

**THE THIRD WAVE OF DEMOCRATIZATION
IN INDONESIA**

by

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March 2000

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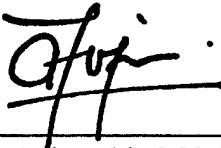
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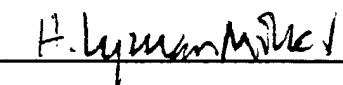
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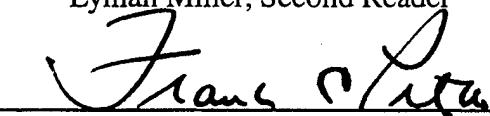
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ABSTRACT

Indonesia, the fourth most populated country in the world was among the last countries in Southeast Asia that embarked into democracy. Prior to democratization, the Indonesian military had played a significant socio-political role since the independence struggle against the Dutch. The revolutionary struggle shaped general Indonesian acceptance of the authoritarian rule. However, by 1997 Indonesia's authoritarian rule was faced with a serious problem of legitimacy and governability.

This thesis suggests that authoritarian rule cannot last in Indonesia. Socio-economic change has re-shaped its social structure and encouraged democratization. For half a century, authoritarianism was dominant in Indonesia, but like all dictatorships, Indonesia subsequently had to return to democracy. Pressures from within the authoritarian government and Indonesian society dictated the democratization process. However, the long term prospects for unstable democracy remain unclear.

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EXECUTIVE SUMMARY

Indonesia's post-independence period was segmented into three. First, was a period of liberal democracy from 1949 to 1957. It was also known as a democratic experiment in Indonesia, since during that seven years; seven democratic governments were in place. Liberal democracy was substituted by Sukarno's Guided Democracy until 1965. During that period democratic elections were withheld. Finally, since 1966 there has been the continuing authoritarianism of Suharto's army dominating New Order. The third segment ended on May 21, 1998 when Suharto was forced to resign. This marked the beginning of a democratic period in Indonesia. The New Order lasted for thirty-two years. Many liberal democratic leaders condemned the New Order government for its authoritarianism, corruption, human and civil rights violations, and ethnic suppression. To the contrary, for many Indonesians, the Suharto government had their support. The New Order had became institutionalized. The apparent inconsistency between the image of a repressive regime was curtailed by the Suharto government's ability to bring economic development to Indonesia.

Since the period of Guided Democracy, the military expanded its political influence throughout Indonesia. Significantly, the military began to interfere extensively in areas beyond military affairs. At the early stage of New

Order, Suharto made use of the military socio-political influence to assert his authority. After a decade of his rule, Suharto orchestrated the decline of military influence in politics. He became the sole authority in Indonesia and exercised a relatively successful "checks-and-balances" strategy in restraining the military's political role. Suharto's own mandate was ensuring his rule and the prosperity of his family and close friends. This state of affairs remained until the economic downturn in 1997 and 1998, which unleashed a wave of discontent in Indonesia. Suharto failed to solve the problem of economic crisis, ultimately leading to his resignation.

Many factors are decisive in terminating Suharto's authoritarian rule. Besides the economic crisis, Suharto's authoritarian regime faced numerous legitimacy crisis. But all the challenges were suppressed by Suharto using the military who were loyal to him. An authoritarian technical incapability was obvious especially in managing the wealth of the economic prosperity. While his family and friends received a major share of the economic success, the majority of Indonesians were still in a state of poverty..

The years of 1997 and 1998 were crucial in the formation of Indonesia's new political landscape. The economic crisis and socio-economic changes brought about a massive revolt that forced Suharto to resign. The military,

an institution that allegedly backed Suharto, was fully scrutinized. Military socio-political roles were marginalized. New political players and political parties mushroomed. All the civil rights and freedom that were restricted before were liberalized in their processes to democratization. Finally, Indonesia held the first democratic election in forty-three years in 1999. The process of democratization in Indonesia closely matched the process that occurred in Southern Europe and Latin America earlier. It was proven, that democratization followed a certain set of recognized patterns and applicable for most of the authoritarian regimes.

Post-authoritarian Indonesia saw a mixture of outcomes. New democracy has not been totally successful. The mushrooming of political parties with total liberal approaches has resulted in more than forty parties taking part in the election. None of the parties were able to secure enough of a majority to form a government. They need to form a coalition to establish a democratic government. However, the coalition resulted in Indonesia's government having no domestic political opposition. The new government has not be able to make significant headway either in politics or economy. The coalition, dubbed "a marriage of convenience" is fragile. The military, who once dominated Indonesia's socio-political role remains marginally engaged.

Within the coalition and the cabinet there are many unhealthy criticisms uttered about the indecisiveness and incapability of a new president. However, Indonesia has become successful in turning to democracy. The future lies in every Indonesian to make a new democracy workable.

I. INTRODUCTION

Having secured full independence on December 27, 1949, Indonesians were at last free to govern themselves. The 1950 constitution mandated parliamentary systems of government and spelled out at length constitutional guarantees for rights and liberties, with safeguards against the misuse of power; a system of checks and balances and an apolitical military institution. Indonesia embarked into a period of constitutional democracy thereafter. Until March 1957, Indonesia held several democratic elections in which more than 20 political parties participated. In every election held, no single party obtained a workable majority. Parties were obliged to continue the difficult and unstable practice of forming coalitions in order to govern. Constitutional democracy produced seven different cabinets from December 1949 to March 1957.

It was the failure of the first seven years of constitutional democracy that led President Sukarno and the military to re-assert control over the political process and return to the 1945 Constitution¹ and introduce

¹ The 1945 Constitution was developed by Sukarno and the *Badan Penyelidik Usaha Persiapan Kemerdekaan Indonesia* (Body to investigate measures for the preparation of Indonesian independence) or BPKI prior to the declaration of independence on August 17, 1945. It is influenced by Sukarno's *Pancasila* (Five Principles) ideology.

Guided Democracy. The 1945 Constitution held an obvious appeal for the military. Unlike the 1950 constitution, which had no political role for the army, the 1945 constitution provided for parliamentary representation for groups prescribed by statutes.²

In March 1957, the army successfully persuaded Sukarno to impose martial law to counter threats to national unity. In the following year the army threw its full support behind Sukarno's Guided Democracy proposal and for the return to the 1945 Constitution. Guided Democracy meant in practice a return to a system of personal rule. It was based on deliberation and consensus among the parties elite, the military, and the government. Major Islamic political parties were banned. The rising influence of the Communist Party of Indonesia (PKI) became a cause of serious concern for all major Muslim groups.

The Thirtieth of September Movement attempted a coup d'etat on September 30, 1965 that killed six senior generals. It failed due to the efforts of Major General Suharto. He subsequently took over as president and introduced the New Order regime in Indonesia until he was

² Article 2(1) of the 1945 Constitution reads: "The Majelis Permusyawaratan Rakyat (People's Consultative Assembly) shall consist of members of the Dewan Perwakilan Rakyat (House of the Representatives) augmented by delegates from the regional territories and the groups in accordance with regulation prescribed by statute".

forced to step down on May 21, 1998. Suharto erected a strong authoritarian state, which restricted the political process to a small elite. On the development front, few would deny that Suharto's strong rule and pragmatic economic policies constituted a more effective and successful government than the one he replaced. Economic development has also brought profound changes in society. But while society and the economy was transformed, Indonesia's political system seemed stuck. The nation's political structure, which by the early 1990's had become overly dependent on one man, was beginning to show its age. This resulted in Suharto's resignation and the holding of a fully democratic election on June 7, 1999, the first since December 1956.

A. IMPORTANCE OF STUDY

Indonesia was under a repressive civilian authoritarian regime between March 1957 until Suharto stepped down as its president on May 21, 1998. After that Indonesia embarked on democratization and it appears at present that the reformers have achieved a partial break with the authoritarian past. Therefore, it is pertinent to examine the reasons for the democratization process in Indonesia and the future direction it is headed, so that one may evaluate whether this process is similar to the democratization that already took place in Southern Europe and Latin America.

B. RESEARCH QUESTIONS

Several research questions guide the direction of this thesis. The questions are used to determine the aims and the scope of this study. They are:

- a. Who were the important political players that initiated the transition to democracy?
- b. How has the Indonesian socio-political structure changed the process of democratization?
- c. Why has the military lost its socio-political influence? What are factors that may influence the military to take a more apolitical approach?

C. AIM OF THESIS

The aim of this thesis is to demonstrate that a democratization process will eventually take place in Indonesia. The transition to democracy will follow typical common stages and will involve various group of political players. Thus, this thesis will show that the theoretical literature on democratization does indeed apply to the Indonesia case.

D. SCOPE OF STUDY

This thesis will cover the development since 1949 when Indonesia achieved independence from the Dutch and was free to govern themselves. However, particular attention will be focused on explaining socio-political development under the

New Order regime in the 1980s and 1990s. This thesis will also highlight the causes for the transition to democracy in 1998 and major political players involved.

E. STRUCTURE OF THESIS

This is the introductory chapter. Chapter II will discuss the literature on democratization with references to the Southern European and Latin American experiences. Chapter III traces the origins of the authoritarian rule, the role of the military, and the socio-political structure in Indonesia.

Chapter IV will discuss the crisis that took place during President Suharto's rule that led to democratization. After 1980, there were signs that he faced serious legitimacy crisis and was losing military support. At the same time, his political rivals seized the opportunity to challenge his rule. Chapter V will be the concluding chapter. It will present the findings of this study.

F. METHOD OF ANALYSIS

The analysis will use case study methods over time to examine the evaluation of socio-political activities that finally brought down the authoritarian regime and replaced it with a democratically elected government. The analysis will apply the democratization literature first developed to

understand Southern Europe and Latin America to the Indonesian case.

II. THE MILITARY WITHDRAWAL AND TRANSITION TO DEMOCRACY

A. INTRODUCTION

According to Finer the military has "three massive organizational advantages" over civilian organizations. First, the military is marked by the "superior quality of its organization," they form a prestigious corporation of order. Secondly, the military is cohesive and hierarchical and possess a "highly emotional status symbol." It shares a sense of organic unity and consciousness of themselves as a group apart from others. Finally, this is a vocation that is a "monopoly of arms" and deals with management and applications of violence. It enjoys overwhelming superiority in organization and the means of applying force. And yet most of the military does not rebel against its civilian masters.³

The subordination of the military towards its civilian master is based on the professional character of the military. This professional character can be distinguished as a special type of vocation; "a professional military career based on expertise, responsibility, and

³ S.E. Finer, *The Man on the Horseback: The Role of the Military in Politics*, (New York: Frederich A. Praeger, 1962), 5.

corporateness.⁴ Members of the military acquire expertise by prolonged education and experience. The essential characteristic of his responsibility is to perform the service when required by the society. Their corporate entity is based on a sense of organic unity, consciousness, and the sharing of a unique responsibility towards their client, that is the society.⁵

Generally, a modern military is a creation of the state. The state usually has political legitimacy to govern when it is elected by people at large. In many instances, however, the military, by using elements of force has staged *coups d' etat*, overthrowing the government on numerous occasions. The reasons for this action have included political instability and the inability of elected leaders to democratically govern the state. At present, some states in Latin America, Africa, and Asia are still under an authoritarian regime; some military, and some civilian. Over time, some authoritarian regimes have democratized or are in the process of transition. Theoretically, the democratization of an authoritarian state is encouraged by certain societal phenomena that occur within the state

⁴ Samuel P. Huntington, *The Soldier and the State: The Theory and Politics of Civil-Military Relations*. (Cambridge, MA: The Belknap Press of Harvard University Press, 1957). 8.

⁵ Ibid.

itself, along with the less evident role of international influence.

B. PROBLEMS OF DICTATORSHIP

Politically, over time, a military authoritarian regime is unable to cope with two important elements of governing. S. E. Finer recognized this weakness in a technical inability to administrate the state and a lack of legitimacy.⁶ Linz also recognized the lack of effectiveness as the other problem of governing.⁷ Hence, the problems of a dictatorship can be discussed under the following:

1. Legitimacy

Legitimacy, according to Weber, may develop in three ways: "traditional," such as the title held in monarchical societies; "rational-legal," when authority is obeyed because of a popular acceptance of the system; and "charismatic," when authority rests upon faith in a leader.⁸ Political stability in democratic systems should not rely on force. Legitimacy is best obtained by prolonged effectiveness, effectiveness being the actual performance of the government and the extent to which it satisfies the

⁶ Finer, 14.

⁷ Juan J. Linz, *The Breakdown of Democratic Regimes: Crisis, Breakdown, and Reequilibration*, (Baltimore, MD, 1978), 16.

⁸ H. H. Gerth and C. W. Mills., eds. and trans. *From Max Weber: Essays in Sociology*, (New York: Oxford University), 78-79.

basic needs of most of the population and key power groups. This is a form of "rational-legal" legitimacy.⁹

2. Technical Capability

An authoritarian regime's technical capability is inadequate to govern the state effectively. The majority of authoritarian regimes are not exclusively staffed by military officers. Most incorporate civilians into the cabinet to achieve technical proficiency. These changes are necessary as societies become more complicated, because it is no longer possible to administer them by pure military means and measures. The technical skills of the military are not well suited for governing. The military may have successfully repaired the breakdown of political order. Beyond that, the military by training is not prepared for managing the economy of a state. Thus, as the general public's expectations rise, the military ceases to be able to rule by its own resources alone. It needs to persuade the civilians and their organizations into collaboration, this directly weakens the military and makes them more dependent on the civilians.¹⁰

⁹ Seymour Martin Lipset, "The Social Requisites of Democracy Revisited," *American Sociological Review*, v. 59, February 1994, and Linz, 18.

¹⁰ Finer, 12-14.

3. Governability

An authoritarian regime governs a state without legitimacy. It does not represent the majority, hence it does not receive majority support. Over time socio-economic changes occur and require adjustments to the political system. An authoritarian regime is hence no longer capable of offering any valuable resources to the people. Its legitimacy and lack of resources will be questioned. The moment the regime is unable to move forward with the complications of a new situation, new political organizations will clash with the regime.¹¹

C. DEMOCRATIZATION

According to O'Donnell and Schmitter, "democratization refers to the process where the rules and procedures of citizenship are either applied to political institutions, previously governed by other principles or are expanded to include persons not previously allowed such rights and obligations, or extended to cover issues and institutions not previously subject to citizen participation."¹² Democratization is largely driven by domestic variables.

¹¹ Linz, 17.

¹² Guillermo O'Donnell and Philippe C. Schmitter, *Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies*, (Baltimore, MD: The Johns Hopkins University Press, 1986), 8.

The important factors include economic development, liberalization, and pluralization.¹³

Modernization leads to important changes in the domestic affairs of a state during an authoritarian period. Society becomes more complicated as a result of economic progress. Diversification and expansion of the economy creates new interests and new political actors with varying levels of organization. At the same time, authoritarian rulers are weakened by problems of legitimacy and governability.

The shift in economic and social context will generally influence the power structure of the authoritarian rule negatively. When the authoritarian regime cannot dominate a total power structure, other actors will come in with their own relative capabilities. The new players' capability will be determined by the extent of the internal unity or disunity of authoritarian regime vis-à-vis new players. The unity of the new players is important in uniting formal agreements on institutions and basic rules of governing that allows them to prevail over the authoritarian regime. Their "coalescence on fundamentals will limit the range of resistant strategies available to the military."¹⁴

¹³ Felipe Aguero, *Soldiers, Civilians, and Democracy: Post-Franco Spain in Comparative Perspective*, (Baltimore, MD: John Hopkins University Press, 1995), 8.

¹⁴ Ibid., 31.

1. The Actors

There are four groups that must be present in any type of regime. They are the hard-liners, soft-liners, the democrats, and the non-democrats.

a) Hard-liners

Hard-liners believe that the perpetuation of authoritarian rule is possible and desirable. The hard-liners reject outright the transition.

b) Soft-liners

Soft-liners are aware that the regime they helped to establish, and in which they usually occupy important positions, will have to make use, in the foreseeable future, of some degree or some form of electoral legitimization. They see that it is possible and desirable to democratize.

c) The Democrats

The democrats generally make up the majority of the population. They play an important role as an electorate in democratization. However, they need a strong leadership. They aspire for a regime change by peaceful means and do not support the hard-liners or the non-democrats. By their preferences and expectations, the coordinated efforts of soft-liners and democrats will be a major influence in the transition.¹⁵

¹⁵ O'Donnell, 15-17.

d) The Non-democrats

For the non-democrats, they see that the authoritarian government must be toppled and they want the power for themselves but not through democratic means.

2. Crisis

This will involve military, economic, or political crisis. Military crisis will normally take place as a result of a defeat suffered by the authoritarian regime in war. Once the regime is defeated, the whole regime's social and political strength disappears in the face of the population. The Military usually withdraws voluntarily or is forced to withdraw by internal social forces, which are stronger than the military.¹⁶ The political crisis is another determining factor in authoritarian regime withdrawal. A political crisis can determine the political will of an authoritarian government to maintain itself. Finally, economic progress opens another vulnerability of an authoritarian regime. Economic relations encourage liberalization and pluralization, which cannot be avoided by a military regime, which becomes weaker in relation to stronger economic transformation.¹⁷

¹⁶ Ibid., 18.

¹⁷ Aguero, 34.

3. The Process

A political transition is the interval or period of shifting from one political regime to another. "The typical sign that the transition has begun comes when these authoritarian incumbents, for whatever reasons, begin to modify their own rules in the direction of providing secure guarantees for the rights of individuals and groups."¹⁸ There are three phases of transition. They are liberalization, transition, and consolidation.

4. Decision to Liberalize

Domestic factors play a predominant role in transition. Usually, no transition occurs without having the authoritarian regime divided between hard-liners and soft-liners. The collapse of a dictatorship is influenced by the presence of a strong opposition force in the civilian population. For democratization to occur, political openings and bargaining have to occur. The soft-liners have to move towards the top of the ruling hierarchy and acquire sufficient control over the government. Both the relative success and relative failure of the authoritarian rulers are subjected to evaluation from both inside and outside the regime. If the dictatorship is a resounding failure, the opponents are stimulated to act, which results in the ruling group becoming less confident of their own capabilities, as

¹⁸ O' Donnell, 6.

well as deeply fragmented by recriminations over who was responsible for the regime's failure. Faced with this, authoritarian regimes often seek a rapid "political outlet". This gives ample room to act for soft-liners, for whom it seems less risky to launch the country into liberalization than to preserve the status quo.¹⁹

Liberalization is a process of granting certain rights to individuals and groups and protecting them from arbitrary or wrongful acts by the state or other third parties. Those rights include freedom of movement, freedom of speech, freedom of the press, freedom of association with other citizens, the right of being heard, the right to be represented in criminal prosecutions, and many other basic human rights. If these rights are not immediately accorded at reaching liberalization, they tend to accumulate over time. The accumulation of rights will become institutionalized, and will raise the eventual costs of authoritarian annulment.

5. Transition Process

The initial process of the transition can be seen as "playing coup poker."²⁰ The soft-liners within the regime, which by this time already possess considerable power, have a strong hand in relation to the opposition. They will

¹⁹ Ibid., 20.

²⁰ Ibid., 24.

dictate the game and by using the ace, they will threaten the opposition to follow according to the rules they propose. Otherwise, they will return to authoritarianism. The threat and the choice not to fall back to an authoritarian regime make the opposition agree to play by the soft-liners' rules of the game.

Where soft-liners are strong, there will be modest liberalization, confined to individual rights and restricted democratization with tight limits on participants and a narrow agenda of permissible policy issues. This slow process will keep alive the hope that they will eventually be able to control the process and protect their interests. If the opposition realizes that the soft-liners will not honor the agreement between the parties, they will withdraw. Once the opposition has withdrawn and the soft-liners become considerably stronger, the transition will then continue and the opposition will remain in their role or later will co-opt with the soft-liners without gaining any special reward or preference.

On the other hand if the soft-liners do not "play coup poker" and the transition results in the implementation of democracy, the soft-liners will not only be protected, but sometimes be rewarded with an arguably more honorable future. These factors generate a subtle but effective, and most often implicit, "first-order understanding" that is the

foundation of eventual pacts between soft-liners and those in the opposition who are pre-eminently interested in the installation of political democracy.²¹

6. New Democracy

"First-order understanding" involves negotiation and renegotiations, which according to O'Donnell, may result in a "pact". A pact can be defined as "an explicit, but not always explicated or justified, agreement among a select set of actors which seeks to define (or, better to redefine) rules governing the exercise of power on the basis of mutual guarantees for the vital interests of those entering into it."²²

The "pact" is often regarded as a temporary measure to overcome any difficulties and may pave the way for a permanent arrangement in the resolution of conflicts. Since it happened at the initial stage of the democratization process, the "pact" may eventually be incorporated into a constitution, the law of the land or standard operating procedures for a state.

Negotiating a "pact" normally involves a small number of participants representing established groups or institutions, and tends to reduce competitiveness as well as conflict. The role of the society in according *de jure*

²¹ Ibid., 25.

²² Ibid., 37.

authority to their representatives occurs in an election during "post-liberal" pacts, which is based on exchanges between groups in society, mutually guaranteeing the collective rights to participate in decision-making and the privilege to represent and secure vital interests. Dankwart Rustow argued that democratization advances "an installment plan" as collective actors, each preferring a different mode of governance or a different configuration of institutions, enter into a series of more or less enduring compromises.²³ That compromise is known as a pact, which comes at a specific moment during the transition.

D. ROLE OF THE MILITARY DURING DEMOCRATIZATION

The military, as does any complex organization, seeks to advance its institutional interests and prerogatives during transition. Adam Przeworski viewed democratization as the "act of subjecting all interests to competition, of institutionalizing uncertainty."²⁴ This means the inability of participants to control the outcomes. The military will seek immunity from possible consequences of demilitarization of state institutions. Guarantees, however, do not remain fixed and they are subjected to "pacts" and citizen

²³ Dankwart Rustow, "Transitions to Democracy: Towards a Dynamic Model," *Comparative Politics*, v. 2, no. 3, April 1970.

²⁴ Aguero, 25.

aspirations on re-defining the appropriate role of the military. In a transition from a military authoritarian regime, the military will initially try to change the constitution, so that there will be a provision that will guarantee certain constitutional rights to the military after democratization. In a transition from a civilian authoritarian regime, the military will cease to be a cohesive tool of the regime, but will occupy a more apolitical position.

"Post-liberal pacts resulted in the military's organization either as an institutional model, that bases its legitimacy on normative values and its members follow a calling captured in words like duty, honors and country. The other model is occupational where military is legitimated in terms of marketplace, and the prestige of its members is based on levels of compensation."²⁵ The corporate identity of the military organization is a result of the adaption of the military to a new organizational format. Military formats are related to the question of military reform, which for instance is limited to the military's domestic coercive role, reducing the scope of military justice, and setting limits to military participation of the government.

²⁵ Charles C. Moskos, "From Institution to Occupation: Trends in Military Organizations," *Armed Forces and Society*, v. 4, n.1, November 1977.

III. INDONESIA PRIOR TO DEMOCRATIZATION

A. INTRODUCTION

The preceding chapter described the theoretical aspects of transition into democracy with reference to the cases of Spain and Latin America. Prior to their transitions, the rules and procedures of citizenship in these states were governed by other than democratic principles. However, not all sectors in the society accepted non-democratic rules. There were always attempts by groups of citizens to reduce the influences of non-democratic regime and to the limit of replacing them.

This chapter will analyze the Indonesian government after independence, up to President Suharto's New Order regime. It looks particularly to the role played by the military in socio-political spheres and a look in the position of civilians in the regime.

B. COLONIALISM AND REVOLUTION

The Dutch gained their first foothold in Indonesia in the early seventeenth century, and by using a combination of arms, treaties, and treachery, they became increasingly involved in the internal affairs of the Indonesian archipelago. Dutch colonialism and imperialism destroyed the social infrastructure of Indonesia. It drained the wealth of Indonesia, leaving its inhabitants without education,

technology, or social order. The Dutch were more dependent on their colony than any other European colonial power in Asia. Thus, the Dutch remained in Indonesia for over 300 years until December 27, 1949.²⁶

The Indonesian independence process was carried out through violent revolution. Social relationships were continually disrupted and replaced by new ones. The initial revolutionaries were militant reformists known as the *Sarekat Islam* (Islamic association). However, they lost their influence in the early 1920s. The Communists rebelled in Indonesia in 1926 and 1927, but they too were repressed. A third major uprising was orchestrated by the *Parti Nasional Indonesia* (PNI), led by a young engineer, Sukarno. The colonial government then arrested its leader and ordered the dissolution of the PNI. Many of the PNI's leaders were jailed or spent years in jail or exile until the Japanese occupation.

On May 1, 1942, the Japanese captured Indonesia and remained there until they surrendered to allied forces on August 6, 1945. During the Japanese occupation, the Japanese encouraged Indonesian nationalism and allowed political activities to take place, which had been prohibited earlier by the Dutch. On August 17, 1945, Sukarno and Hatta declared

²⁶ Bill Dalton, *Indonesia Handbook*, 5th ed, (Chico, CA: Moon Publications Inc, 1991), 13.

Indonesia's independence and introduced Indonesia's constitution that was based on *Pancasilla*,²⁷ influence by Indonesians struggle against the Dutch.

Though the constitution was a very brief document, it nevertheless provided an important provision on defense and security. The preamble of the constitution stated that the duty of the government was to look after the security and well being of all Indonesians and to participate in every aspect of Indonesians social, economic, and political activities. The government was also responsible to create Indonesia based on freedom, eternal peace, and social justice.²⁸

The roles of *Angkatan Bersenjata Republic Indonesia* (ABRI), or the Indonesian Armed Forces, were formally constituted under the preamble of the 1945 constitution. It provided that as a defense and security force, ABRI was a component of the government whose main objective "to protect

²⁷ It means Five Pillars and consisted of:

- (1) Belief in God;
- (2) Nationalism;
- (3) Internal cooperation;
- (4) Democracy; and
- (5) Social justice.

²⁸ Robert Lowry, *The Armed Forces of Indonesia*, (NSW 2065, Australia: Allen & Unwin, 1996), 20.

the whole of the Indonesian people and its entire native land of Indonesia.²⁹ ABRI was established to defend the independence that had been proclaimed.

Thus, the constitution established an Indonesian state that corresponded with the special characteristics and structure of Indonesian society and was based on the principle of integration.³⁰ The constitution recognized certain participant groups in Indonesian politics, known as Functional Groups³¹, which were organized at a national level.

After the Japanese surrendered, the Dutch returned, and they intended to start again where they had left off. However, they were mistaken: bands of politically aligned young people (*laskar*) sprang up all over most of Indonesia, and they fought an internal revolution against the Dutch. The Dutch embarked on pacification exercises, defeating many rebel forces and the civil authority. The only Indonesians who stayed and fought the Dutch until the end were the young Indonesian soldiers. The Dutch succeeded in holding most of

²⁹ A. S. S. Tambunan S.H., *Socio-political Functions of the Indonesian Armed Forces*, (Jakarta, Indonesia: Pustaka Sinar Harapan, 1995), 12.

³⁰ Ibid., 13.

³¹ The Functional Groups consisted of recognized civil society groups such as cooperatives, trade union, farmer's association, and youth organizations. Initially the military was not mentioned and their role in Indonesia's politics then was not paramount.

Java and Sumatra, but they were unable to control the countryside and many parts of the Outer Islands. Due to increasing guerilla attacks, they eventually decided to negotiate and accorded Indonesia total independence on December 27, 1949.³²

The political history of Indonesia was based on the revolutionary struggle for democracy. The concept of democracy was initiated and introduced by the revolutionaries who turned into politicians and statesmen. Their concept of democracy and representation differed from those that are envisaged by theoreticians and political scientists. They preferred to have a discussion between the political elite and statesmen, and reach a consensus through deliberation rather than getting the citizens involved in political determinations. Therefore, it is understandable that the founding fathers of the 1945 constitution did not incorporate the true concept of liberal democracy, but required Indonesian to subscribe to the concept of *pancasilla*. This representation can only be made through groups prescribed by statute.³³

³² M.C. Ricklefs, *A History of Modern Indonesia: c 1300 to the Present*, (Bloomington, IN: Indiana University Press, 1981), 220.

³³ Ulf Sundhaussen and Berry R. Green, *Indonesia: Slow March into Uncertain Future*, (Totawa, NJ: Barnes and Noble Books, 1985), 102.

C. ORIGINS OF THE MILITARY'S SOCIO-POLITICAL ROLE

The development of the Indonesian military's socio-political role can be traced through four distinct periods. The first phase occurred during the revolution against the Dutch colonial rule, when the military became inextricably involved in politics. The second was the period of liberal democracy from 1950 to 1957, when the military returned to its barracks, albeit incompletely. The third phase was during the Guided Democracy period: with the introduction of Martial Law in 1957, the military returned to an active political role and became a major political force. Finally, since the New Order was established in 1966, the military has been a dominant political force.

The army's perception of itself as a political force arose from the blurred distinction between its military and political functions during the revolution against the Dutch. As in most wars for independence, the struggle was political as well as military. The youths who took arms against the Dutch were motivated less by the desire for military careers than by a patriotism that expressed itself through support for the republic proclaimed by the nationalist politicians.³⁴

³⁴ Anders Uhlin, *Indonesia and the "Third Wave of Democratization": The Indonesia Pro-Democracy Movement in a Changing World*, (New York: St. Martin's Press, 1997), 33.

1. Military Orientation

The character of the fighting further strengthened the military's role in political matters. According to Crouch, the earlier revolutionaries "lacking professional training and low in modern armament, the Indonesian resistance took the form of guerilla warfare³⁵ where there was no clear boundary between military and civilian life. The active fighters were heavily dependent on the support of the local population."³⁶

The circumstances under which military officers oriented themselves politically during the revolution convinced them that they had their own political purposes that were often independent from those of the civilian politicians in the government. The revolutionary soldiers were made-up of young revolutionaries, who came from the political organization and whose struggle for independence had made the army leadership involved in politics.³⁷ "ABRI was intensely proud of its leading role in the revolutionary struggle. Its history makes much of the several

³⁵ The guerilla fighters were organized into politically aligned irregular units as well as regular armed forces. They were always engaged in rallying popular enthusiasm around their cause. Their leaders performed political functions as well as military ones.

³⁶ Harold Crouch, *The Army and Politics in Indonesia*, (Ithaca, New York: Cornell University Press, 1978), 25.

³⁷ Ibid., 26.

revolutionary-era events formative in ABRI's thinking in reference to its social and political roles. Incidents such as fighting against the British attack on Surabaya in 1945 and having conducted nation wide guerilla warfare against the Dutch in 1948 that preceded the Dutch withdrawal were paramount struggles for ABRI."³⁸

2. Distrust of Civilian Leaders

The alienation of ABRI officers from the government reached its peak when ABRI fought against the Dutch after the leaders of the government were captured in December of 1948. Another important instance of ABRI's struggle in the pre-1965 period was its role in suppressing a domestic Communist led rebellion against the republic after it had achieved independence in the East of Javanese town of Madiun in 1948. The *Parti Komunis Indonesia* (PKI) or Communist Party of Indonesia, in an act that cannot be forgiven by Indonesian military and New Order history, rose up against the young republic at its weakest moment. That was the period when all other Indonesians were putting all their efforts in their struggle against the Dutch.³⁹

Similarly during the period of liberal democracy, ABRI was called upon to put down numerous revolts and rebellions

³⁸ Douglas E. Ramage, *Politics in Indonesia: Democracy, Islam and the Ideology of Tolerance*, (New York: Routledge, 1995), 20.

³⁹ Ibid., 21.

such as the *Permesta* Rebellion and *Darul Islam*. ABRI's successes including forcing the Dutch withdrawal from West Irian and other successes later contributed significantly to the intense institutional feeling within the ranks, that ABRI was the savior of the nation. Furthermore, concessions made by civilian leaders on the new round of negotiations for full independence that commenced in 1949 were regarded with great suspicion by many ABRI officers.⁴⁰

D. ABRI AND LIBERAL DEMOCRACY

During the period of liberal democracy, despite the political orientation and the distrust of politicians that many ABRI officers had acquired during the revolution, ABRI accepted the subordinate role that it was assigned under the new parliamentary constitution of 1950. ABRI formally returned to the barracks, though in practice their withdrawal from politics was far from complete.

Although the experiences of the ABRI officers during the revolution tended to produce common attitudes towards some issues, ABRI was far from a politically cohesive force. Many of the guerilla fighters had joined ABRI as members of party-affiliated youth organizations that had set up their

⁴⁰ The role of ABRI in these events had profound effects on ABRI political thinking. It nearly rejected the cease-fire and felt cheated by the terms of the transfer of sovereignty in December 1949. Thus, by the end of the revolution, many army officers had become deeply disturbed by the civilian politicians who had led the government.

own *laskar* (military) units.⁴¹ Its internal dis-unity had prevented it from taking decisive action to consolidate its power.

The parliamentary democracy, however, proved incapable of producing a strong and effective government. In a period of seven years, no less than seven coalition governments held office. In such circumstances, the political leaders became pre-occupied with political maneuvering to gain support. Meanwhile, ABRI leadership, which consisted largely of the more highly trained *ex-Koninklijke Nederlandsche Indische Leger* (KNIL), the Dutch colonial army, initially sought to turn the revolutionary guerilla forces according to the Western model, into a disciplined and apolitical professional army under the control of the civilian government. However, this was not widely supported among officers from the *ex-Pembela Tanah Air* (PETA) or Defender of the Fatherland's; they believed they should not renounce their political role, especially when their own interests were involved. The growing conflict within ABRI became entangled with the competition between rival political parties as ABRI factions sought party support and political parties sought ABRI support.

⁴¹ Therefore, many units had extra-military political loyalties, and soldiers often had a stronger sense of commitment to their unit commander than to ABRI as a whole. ABRI continued to be divided into factions based on personal, divisional, and political loyalties.

By the end of 1952, the ex-KNIL officers had been pushed aside. However the ex-PETA officers were far from united. The public at large had lost their confidence in the democratically elected civilian government. This disaffection with the civilian central government, caused revolts and regionalist movements especially in the Outer Islands. The feeling grew among officers that ABRI should assert itself politically. On the advice of ABRI leadership, President Sukarno introduced Martial Law in 1957, and ABRI was given authority to suppress the Outer Island revolts.⁴²

ABRI was ill-funded. Prior to the mid-1950s, some military commanders, especially in the Outer Islands, felt compelled to resort to unorthodox supply resources in order to maintain the readiness of their units and the loyalty of their troops. In the export-producing regions, such as North Sumatra and North Sulawesi, the military raised the funds quite easily by sponsoring semi-official smuggling. In other areas, regional commanders made irregular arrangements with local businesses. These economic activities of the military, which were not subjected to higher formation and government control opened up the practice of illegal trading and involved them in corruption.⁴³

⁴² Harold Crouch, "Indonesia," *Military-Civilian Relations in South-East Asia*, ed. Zakaria Haji Ahmad and Harold Crouch (New York: Oxford University Press, 1985), 51-55.

⁴³ Crouch, *Army and Politics in Indonesia*, 38.

E. DUAL FUNCTIONS⁴⁴

ABRI entered Indonesian politics after it had successfully quelled the Outer Islands revolt in 1957 and was named as one of the Functional Groups by President Sukarno. When parliamentary democracy folded, ABRI leaders came to believe that they could no longer stand aside and watch. ABRI would no longer place itself at the mercy of the government of the day; nor would it assume control of the government.

1. Origin of Dual Functions

The genesis of a dual function for ABRI was suggested in a speech delivered by then Army Chief of Staff, Major General A. H. Nasution, on November 11, 1957 at the army's officer training college at Megelang in Central Java. Hemmed in on one side by increasingly left leaning civilian politicians close to Sukarno, and threatened on the other by the number of regional revolts, Nasution felt the time had come to define clearly the army's role in the state. His idea that the armed forces act neither as political

⁴⁴ This was a function where the military not only performing security function but to be given a role in the cabinet, in every state institution, from ministries to the diplomatic service.

activists nor as mere spectators later earned the label "Middle Way."⁴⁵

2. Middle Way

The "Middle Way" was a doctrine formulated by Nasution to justify military political, economic, and administrative functions. However, it was not until April 1965 that ABRI formalized this socio-political role in its first seminar, when it produced the doctrine of the Indonesian Armed Forces. The main principles of the doctrine were formulated when General Simatupang wrote the following:

*"The political instability and tensions or even antagonisms between the political parties forced the army leadership to look seriously into the problem of how such a stabilizing role could be performed without falling into the pitfall of a Latin America situation."*⁴⁶

⁴⁵ The Middle Way stipulated that the army would neither seek to take over the government nor remain politically inactive.

⁴⁶ Michael R.J. Vatikiotis, *Indonesian Politics Under Suharto: Order, Development and Pressure for Change* (New York: Routledge, 1993), 70.

F. ABRI UNDER GUIDED DEMOCRACY⁴⁷

The development of ABRI's political role entered its third phase with the introduction of martial law in 1957. ABRI involvement in politics was first recognized when President Sukarno established the National Council on May 6, 1957, after the role of the political parties in the Outer Islands had been crippled. Thus the military returned to an active political role and became a major political force during this period.

1. ABRI in Politics

The 136-member National Council included the Functional Groups in the society as well as military officers who were considered necessary. The military in general became members of the National Council on June 9, 1957. The army believed that its role during the revolution helped to end the Dutch colonialism. And as the effective government in many areas in rural Java, gave it the right not to remain apolitical in a state which was created by their struggle. They must participate in every aspect of the state. The role of ABRI,

⁴⁷ A system which was based on deliberation and consensus for any decision. Under Guided Democracy, the president himself headed the cabinets, elected representatives were replaced by appointed ones.

especially the army, in non-military fields increased considerably during and after 1957.⁴⁸

President Sukarno abolished the parliamentary system and replaced it with Guided Democracy. Guided Democracy had the support of ABRI leadership, which provided the president with organizational backing.

ABRI played an increasingly direct role in the government and the administration. ABRI's officers formed the largest group in Sukarno's Supreme Command, with about one-third of the ministers drawn from the military and many senior officers in government having military backgrounds. In 1965 at the regional level, 12 out of 24 provincial governors were military officers. Many of the officers had been appointed as Members of Parliament.

2. President versus ABRI

However, this system led to a rivalry between the president and ABRI. The president turned to the PKI for support to balance the power of ABRI. The polarization of political forces that took place during the latter phase of Guided Democracy centered largely on the anti-Communist ABRI's opposition to President Sukarno's alliance with the PKI.⁴⁹ To counterbalance political parties such as the PKI,

⁴⁸ Leo Suryadinata, *Military Ascendancy and Political Culture: A Study of Indonesia's Golkar*, (Athens, OH: Center for International Studies, 1992), 8.

⁴⁹ Crouch, *Indonesia*, 55-57.

ABRI formed various military-civilian cooperative bodies. The PKI gradually expanded its influence in the National Council while ABRI and the Islamic groups attempted to stop their expansion. Anti-Communist leaders formed *Sekbar Golkar* (Joint Secretariat of the Functional Groups) on October 24, 1964, and ABRI became more aggressive in backing militant left-wing parties against the PKI.⁵⁰

Thus, from the late 1950s to the early 1960s ABRI became more ideologically indoctrinated, and set the stage for intense conflict with the PKI. ABRI appropriated the concept of Functional Groups initially promoted by Sukarno as an alternative to the political party system. Sukarno had proposed substituting party representation with Functional Groups such as peasant, labor, intellectuals, and youth groups. ABRI however saw the Functional Groups concept as a way to legitimize ABRI participation in the political arena because it too was considered one of the society's many groups. Moreover, ABRI saw the Functional Groups concept as a way to compete politically with the parties, especially the PKI.⁵¹

3. Economic Involvement

The events of 1956-1958 opened the way to a sudden expansion of ABRI's role. ABRI was not only responsible for

⁵⁰ Suryadinata, 14.

⁵¹ Crouch, *Army and Politics*, 34.

the security of the country but expanded its role and influence in politics. Many ABRI officers were appointed to hold senior executive appointments in administration and economic management after martial law was introduced in 1957.⁵² ABRI often took a direct interest in the administration of such economic matters as tax collection, and the issuing of licenses.

At the end of 1957, acting against the PKI and other left-nationalist groups, ABRI used its martial-law power to place all Dutch enterprises under military supervision. Soon afterwards, nationalistic furor over the campaign to wrest Irian from the Dutch resulted in the expulsion of all of Dutch companies. All the assets of the Dutch companies were seized by ABRI. The Dutch had established many profitable businesses and they all fell into ABRI control. The businesses that fell into ABRI's hand included the most profitable oil, mining, agriculture, and financial sectors.⁵³

When British and American enterprises withdrew from Indonesia in the 1960s, ABRI took over their place and its economic role was further expanded. Indonesia's most profitable business, the oil industry, was placed under ABRI sponsored corporations and continued to expand and make

⁵² Ibid., 33.

⁵³ Vatikiotis, 71.

large profits and contributions to tax revenue. ABRI businesses were not confined only to major corporations and enterprises. At all levels of military organization, the military units operated their own businesses either on their own or in association with civilian businessmen.⁵⁴

G. NEW ORDER PERIOD

The 1965 coup released new political forces, which were both anti-Sukarno and anti-PKI. Since then, the PKI as a political party ceased to exist legally in Indonesia. In 1966, Suharto introduced the New Order. Sukarno was relegated to a powerless position. By March 11, 1966, Sukarno was forced by the army to transfer his power to General Suharto, thus giving ABRI firm control over the government.

Suharto formally assumed power in March 1968, inaugurating the New Order. He banned all but three political parties and declared economic development a priority. It seemed a prudent move considering the circumstances. Indonesia's economy in the mid-1960s was in shambles. Foreign investments had almost dried up, export revenues were falling, inflation was running more than 1000 percent a year, the budget deficit was ballooning and the foreign debt had topped two billion dollars.

⁵⁴ Crouch, *Army and Politics*, 39.

Under Suharto, the economy grew by almost seven percent a year. A successful family-planning program and measures to increase rice production dramatically reduced malnutrition and infant mortality. Illiteracy also declined significantly. But perhaps Suharto's greatest achievement is poverty alleviation. Some economists estimate that more than 70 percent of Indonesians lived in poverty in 1970. By 1990, this figure had dropped to about 50 percent. In the mid-1980s, Suharto was dubbed *Bapak Pembangunan*, Father of Development.⁵⁵

1. ABRI and the Economy

ABRI's role and their influence had a significant impact on their involvement with the economy. Initially, as an organized institution, ABRI played the role of consolidating and expanding the business interests of the government. ABRI was forced to raise their own revenue by establishing their own businesses while guarding the security of the country. Since ABRI administrated all the territory, they were able to enforce tolls and taxes in their operational areas.⁵⁶ Suharto later actively encouraged military participation in the economy. He removed large and profitable areas from the state sector and awarded them to

⁵⁵ Michael Vatikiotis and Adam Schwarz, "Indonesia: A Nation Awakes," *Far Eastern Economic Review*, 4 June 1998.

⁵⁶ Vatikiotis, 71.

ABRI. One unit that became particularly active in business was Suharto's former command, Kostrad. He allowed manipulation of export credits and awarded state contracts to ABRI or to its clients.

Suharto knew the importance of controlling profitable business enterprises through military power. The military's ability to participate in business was regarded as an essential pre-requisite to wielding political power, for having their own financial resources enabled the generals to circumvent central government attempts to limit their power through budgetary means. Internally, the material benefits accruing to officers in business gave them a larger stake in the status quo and helped ensure their loyalty.

The strength of the relationship between the executive and ABRI ensured that it would take relatively little time for the military to achieve a dominant position in the economy. Ibnu Suwoto, a military colleague of Suharto was appointed head of the new state oil company, North Sumatra Oil Exploration. By 1968, he was the head of the *Pertamina* (Petroleum) company, under which all state oil companies had been incorporated. By the height of the oil boom in the early 1970s, *Pertamina* not only had a major source of ABRI funding, but also accounted through tax payments for almost 40 percent of domestic revenue. Immune to the normal process of accountability, and under a law passed in 1971,

answerable only to the president, Suwoto presided over the oil sector. All drilling and processing concessions were channeled through *Pertamina*, which became the most profitable ABRI-run enterprise.⁵⁷

The aim of the government was to win over the rural population. Thus, the basis of government's business engagement included developing the agricultural sector, which provides many job opportunities to rural populations, providing sufficient education, giving the subsidies to farmers, improving villages, increasing the productivity, and improving all the basic infrastructures of life. The government did not have enough manpower to undertake all the development projects. As an alternative, all of these activities were generally undertaken by ABRI officers, which made them more acceptable to the rural population and increased their influence.⁵⁸ The ABRI's new role in the economy made it self-sufficient. It did not depend on the central government to finance their budget. The economic activities also exposed many individual officers to a

⁵⁷ Crouch, *The Army and Politics*, 277.

⁵⁸ R. William Liddle, *Crisis in Indonesia*, Speech Given at the World Affair Council of Northern California on June 11, 1998, available at <http://www.wacf.org/library/speech/parker.htm> accessed on 29 October 1998.

situation where they could make use of their position to gain material interests.⁵⁹

2. Socio-political Forces

In the early years of the New Order, the dual function doctrine was employed more or less as a means of extending total military control over the instruments of state and to some extent the economy.

The main thrust of the new doctrine was that, henceforth, ABRI would formally play a role both as a military force and as a socio-political force. ABRI would have two functions, or *dwi-fungsi*. Thus, ABRI entered politics openly. ABRI claimed the struggle against the Dutch resulted in the birth of Indonesia. They, along with other revolutionists shared the title of the co-founder of the state, and believed that ABRI would expand its position to be above the state and alongside the people. It would offer its services to provide the security for the state and to the nation and insist that it must get involved in all state activities and be represented in all state agencies. As the institution that was responsible for ensuring continued state's integrity, the principal defense force of their constitution, and principal participant in the revolution, ABRI had the right to participate in deciding the course of

⁵⁹ Crouch, *Army and Politics*, 39.

the nation.⁶⁰ ABRI insisted that it was the most important institution that had fought for independence. The civilian politicians were divided and did not have the merit of popular contribution in the struggle for independence.

The New Order "development ideology" was a curious blend of two seemingly incompatible positions: economic growth and social justice for all. The latter had roots in the strong anti-foreign, anti-capitalist views of the country's pre-independence nationalist movement. The Dutch created a system in which the indigenous population was blocked from becoming major business entrepreneurs. Not many Indonesians were able to occupy business executive positions. The Dutch confined the ownership of businesses to their own people.⁶¹ However the New Order generals and their young officers differed significantly from the earlier generation of nationalists who governed Indonesia in the early years of independence. With a liberal Dutch education, overseas university degrees, and a knowledge in European political thought, the New Order leadership were adequately prepared to change the social and economic development, leading ultimately to the social and economic system which was envisaged by the 1945 constitution.⁶²

⁶⁰ Sundhaussen, 102.

⁶¹ Vatikiotis, 53.

⁶² Ibid., 54.

As foreign investments and lucrative oil reserves flowed in, neglected services and infrastructures were developed. Widespread poverty, estimated to have afflicted 60 percent of the population in 1967, began to recede. Per capita income began to rise above US\$ 260 in 1970 to over US\$ 500 by 1980. The infrastructure of basic health and education facilities began to fan out from the center, laying the basis for one of the highest primary-school enrollment rates in the developing world (93 percent in 1987). However, perhaps the most crucial aspect of the improvement was the beginning of an intensive food-production program, one that set Indonesia on a course to basic food self-sufficiency by the early 1980s.

Economic development was successful. "In the period from 1968 to 1983, the percentage of gross domestic product (GDP) accounted for by the state sector increased from 13 per cent to 41 percent. Indonesia had industrialized under the New Order, and joined the ranks of Asia's dynamic economies. The World Bank calculated that poverty declined in absolute terms from about 40 percent of the population in 1980 to 21 percent in 1987, or 37 million people living below the poverty line."⁶³

⁶³ Ibid., 57-58.

3. Military Bureaucracy

ABRI began replacing civilian personnel with military men under the *kekaryaan* system, a term that loosely translates a "cadre-ization." This involved the transfer of active military officers to the bureaucracy in large numbers. ABRI justified its role in the bureaucracy by arguing that since the people had placed their hopes in ABRI, there was a need for ABRI to participate fully in all aspects of government. "By the late 1970s, half the cabinet and over two-thirds of the regional governorships were military appointees. At the district level, 56 percent of district officers were military men. In the bureaucracy, 78 percent of director-generals and 84 percent of ministerial secretaries were ABRI appointees. Even in the diplomatic service, almost half the country's ambassadors were from the military in 1977."⁶⁴

They were also dominant in regional administration. "Provincial governors appointed from ABRI rose from 12 out of 24 in 1965 to 22 out of 26 in 1971. At the district (*kabupaten*) level, about two-thirds of the district (*bupatis*) and town mayors were ABRI officers. Its regional security apparatus backed ABRI's grip on the government. They were organized on a territorial basis with units spread throughout the country in a more or less parallel fashion

⁶⁴ Ibid., 71.

with the structure of the national government administration.⁶⁵ Through this structure ABRI was able to influence local civilian administrations and receive overwhelming grass roots support.

4. Military's Politics

A decisive factor in the final emergence of the military as a dominant force was its organizational and cohesive strength which permitted it to overcome all its opponents, and enabled ABRI to tighten its grip on the government during the New Order period. ABRI's commander, General Suharto, officially succeeded Sukarno as president in 1968. Since then many important cabinet portfolios have always been in ABRI hands. ABRI officers have, from time to time, headed important departments in such fields as economic, security, and internal affairs. The number of ministers drawn from ABRI has varied over time, falling from 12 out of 27 in 1966 to only 4 out of 23 in 1973, before rising again to 11 out of 24 in 1978. ABRI officers have held many senior posts in all departments.

During the early period of the New Order, the political parties were very weak. They had lost much ground since the

⁶⁵ In each major province, there was a regional military command (*Kodam*); within each *Kodam* there were several resort command (*Korem*); and every district had its own sub-command (*Kodim*). These military units acted as an agent for the central security apparatus, which was responsible for internal security.

days of liberal democracy. However they continued to wield some influence and were still forces to be considered even after the New Order was established. The nationalist Parti National Indonesia still had substantial mass support, while the traditionalist Muslim party, Nahdatul Ulama (NU) represented many Muslims in Java and the Outer Islands.

However, the government had established its own electoral organization, Golkar, which was based on "Functional Groups." The Golkar did not have party organization with direct members, but was a coalition of some two hundred groups. In practice, Golkar was controlled by ABRI officers who selected its candidates and organized its campaigns. Backed by ABRI, Golkar was able to put heavy pressure on voters and scored an overwhelming victory in the 1971 election, thus legitimizing ABRI participation in politics.

In 1969 the president was empowered by the new election law to appoint 100 out of 460 parliamentarians.⁶⁶ ABRI, which was not directly involved in politics, received 75 seats as appointed parliamentarians. Hence, ABRI actively participated in politics, and many others who were not appointed to the parliament were appointed as territorial

⁶⁶ Article 11 of Chapter III to Law of the Republic of Indonesia Number 16 of 1969 the Structure and Composition of the People's Deliberation Assembly (MPR), People's Representatives Council (DPR), Regional People's Representatives Council (DPRD).

governors, district officers, police officers, and senior executives of local governments, associations, organizations and multi-national corporations.

5. Legitimization of Military Rule

Since *Golkar* in practice was a government party, one can claim that no distinction should be made between *Golkar* and the government. In fact, without its civilian faction, *Golkar* was similar to ABRI, though ABRI was the real decision-maker.⁶⁷ Until the 1997 election *Golkar* had consistently outpolled all other parties and continued to practice *Pancasila* and Guided Democracy. The process of Indonesian democracy made the military a dominant factor in governing the country. *Pancasila* and Guided Democracy led to authoritarianism. The New Order brought ABRI directly into politics, in which ABRI became the master that made decisions for Indonesia. *Pancasila* served as a principal factor in shaping Indonesia's democracy toward unity in ideology, politics, economy, society, culture, religion, defense, security, and international relations.

H. CONSEQUENCES OF NEW ORDER

After the New Order was introduced, many political parties were banned. Repression of free speech, political activities, and the closure of major newspapers and

⁶⁷ Suryadinata, 84.

magazines were examples of restrictions on individuals and organizational freedom. Moreover, the regime tightened its control over political opposition, curtailed the labor movement, forcibly removed the leader of a major political party, and cracked down on several politicians who had publicly voiced their criticisms of the government.⁶⁸ The New Order's institutional setting was not an attempt to create a different form of democracy; rather it was merely the absence of adequate representation for those espousing dissident views.

I. CONCLUSION

The military had been deeply involved in Indonesian society since the struggle for independence. Any sudden withdrawal from participating in these roles could impact negatively on society. There would be a vacuum in the Indonesian society especially in the outer islands where the military had traditionally participated, for example, where ABRI had helped rural infrastructure and villages to develop. Unless ABRI's departure from Indonesia's politics was gradual and other agencies allowed to replace ABRI in these areas, major problems would result for the Indonesian

⁶⁸ Jacque Bertrand, *Business as Usual in Suharto's Indonesia*, Paper Presented at a conference of the Canadian Consortium on Asia-Pacific Security, Calgary, December 14-15, 1996, available at <http://www.iir.ubc.ca/bertra~1.htm> accessed on 26 August 1999.

population. The security of minorities in many smaller islands that were far away from the administrative center where civil administration was lacking could be threatened since they had been previously controlled efficiently by the military. The ensuing vacuum would likely stunt social development with a lack of direction and supervision. A responsible military might gradually transfer its political, bureaucratic, and executive power so as not to cause interruptions, but to minimize the potential disturbances that might arise.

IV. CRISIS AND DEMOCRATIZATION PROCESS

A. DEMOCRATIZATION

The preceding chapter described the formalization of the Indonesian military's social, political, and economic roles. In the military's view, its actions during the colonial period and the suppressing of the Communist Party uprising after the independence justified and legitimized their *dwi-fungsi* (dual functions) role. However, the military that once enjoyed the highest political influence towards the end of Sukarno's rule in the 1960s gradually diminished during Suharto's reign.

This chapter will analyze the reason why Suharto's regime entered into a crisis and the factors that contributed to the diminishing of the military's influence in Indonesian politics. It will highlight historical events in Indonesia in which the military appeared to have lost some of its usefulness to Suharto. This thesis will also highlight how President Suharto's regime became more "civilianized". He did not champion the military's cause constantly, but in fact took initiatives to contain the military so as to safeguard his powers.

B. POLITICAL PARTIES

When Sukarno allowed Suharto to take whatever necessary measures to bring peace to Indonesia on March 11, 1966 via *Supersemar* decree⁶⁹, the New Order began. Immediately, Suharto banned the PKI and all organizations established under it. He dismissed all cabinet ministers that were loyal to Sukarno and pro-PKI. The elimination of PKI was successfully carried out, partly due to the role played by the Muslim groups. However they received no sympathy from the New Order regime. The disbanded *Masyumi* (the Muslim umbrella party before Indonesia gained independence) failed to revive. In 1968 Suharto allowed the formation of *Partai Muslimah Indonesia* (Indonesia Muslim Party), but all former Muslim groups leaders were dropped and were replaced by government supporters.

The position of the other political parties remained as before. However the composition of the People's Deliberation Assembly was changed in 1969 when the government appointed one-third of the representatives. It was also similar to People's Representative Council where one-fifth of its parliamentarians were appointed by the president. The

⁶⁹ A letter dated 11 March 1966 allegedly written by Sukarno empowering Suharto to use the army to take whatever measures necessary to ensure peace and stability in Indonesia. This letter was believed as the most important document used by Suharto to topple Sukarno

government replaced all the leaders of the political parties with representatives that were acceptable to the regime.

The first election under Suharto was held in 1971 after Suharto felt fully secure that the government party *Golkar* was strong enough to obtain a convincing victory, which it did. By 1973, the remainder of the political parties except the *Golkar* were dissolved and two new parties were created. All former political parties that took part in the 1971 election were forced to merge into these two parties, where the leaders were appointed by the government. Thus, after 1973 there were only three political parties available in Indonesia: Two newly formed, the United Development Party and the Indonesia Democratic Party, and the government party, *Golkar*. Since then, in every election that was held under the New Order regime, the *Golkar* won convincingly.

C. POSITION OF CIVILIANS UNDER SUHARTO'S REGIME

Under Suharto's authoritarian regime, the major characteristic of the New Order was the domination of the people by the regime itself. Suharto and his close associates including the military were the only authority that could determine the political structure and leadership. The New Order regime, through *Golkar*, had established a strong administration and business organization. All the interest groups were mandatorily brought into *Golkar*. The military on the other hand had set up an organization

parallel to those of the government and played a vital role in gathering support for *Golkar* especially in the outer islands.

The government had extended the scope and role of the intelligence apparatus throughout the country. Suharto's close friends were appointed to head the intelligence organization. The regime's surveillance of society was extensive. The government's organization and apparatus were present in every aspect of the civilian population. Through the military regional command, they were successful in controlling the social, economic, and political activity of the civilian population. Even at the village level, the military personnel were appointed as village leaders who monitored daily village activities.

The government had broad power to intervene in the affairs of any organization. Any group that did not subscribe to *pancasilla* was declared illegal and their activists operated under severe surveillance and restrictions. Many innocent civilians and activists were often jailed or even believed killed by government special intelligence units that worked closely with Suharto.

Many security measures were introduced to suppress the civilians. Any gathering or assembly was made an offence. By 1994 as many as 2,000 books and publications were banned and

many peoples who were caught selling prohibited items were prosecuted.

D. CONTROL OF THE MILITARY

The early years of the New Order saw open factionalism within the military involving officers of Suharto's own generation who were by no means convinced that Suharto was the most talented among them. Suharto harnessed the military by keeping control over appointments, through a combination of "carrot and stick", offers of prestigious or lucrative non-military appointments backed by the ultimate threat of arrest. Suharto's group had gradually out-maneuvered many of its rivals in the army and the other branches of the armed forces by the early 1970s. Potential military commanders such as Lieutenant General Dharsono and General Sumitro, whose personal popularity had seemed to be growing to the point where they may have built up personal bases of support within the armed forces and among the public at large, were removed from military posts and often appointed to ambassadorial or other positions.⁷⁰

Suharto's military group tried to undermine the others. Commander of the armed forces General Murdani, who had always been personally close to Suharto, placed Lieutenant General Dharsono on trial for the baseless allegation of

⁷⁰ Adam Schwarz, *A Nation in Waiting: Indonesia in the 1990s* (Boulder, CO: Westview Press, 1994), 30-33.

killing dozens of Muslims by troops during rioting at Jakarta's port of Tanjung Periok. There had been speculation that his unconventional rise to the top position may have alienated some of his military colleagues.⁷¹

Suharto relied on his generation of military officers to retain power. In the mid-1970s, he elected four of his closest associates, Yoga Soegama, Ali Murtopo, Soedoma, and Benny Murdani to hold the highest positions in the military. These friends enjoyed close relations with the president, more on an individual level than on a group basis. Most of the generals whom Suharto relied upon came from the intelligence and security fields. The dominance of intelligence and security officers reflected and reinforced Suharto's pre-occupation with the security of his regime.⁷²

E. TRANSITION TO DEMOCRACY

1. Crisis

By the 1980s, Suharto's military colleagues of the 1945 generation retired and new leaders from the professional military academy took over top military positions. Meanwhile, the issues of poverty, politicization of Islamic religion, collusion, corruption, nepotism, and anti-Chinese

⁷¹ Ibid., 33-34.

⁷² David Jenkin, *Suharto and His Generals: Indonesian Military Politics 1975-1983*, (Ithaca, New York: Cornell University Press, 1984). 20.

sentiment began to develop. Many retired generals expressed their concern about this new development and of the opinion that new government was needed to save Indonesia. "The feeling in ABRI that Suharto had to go was widespread, ... even younger officers shared this view," said Lieutenant General (Retired) Hasnan Habib, a former ambassador to the United States.⁷³

The declining relations between the military and Suharto was explained due to the transfer of economic power from ABRI to Suharto's Chinese friends, his family, and his civilian cronies. This resulted in shifting some of the military powers to technocrats, conglomerates, and Suharto's children. Suharto knew that in order to keep the military's subordination, he appointed non-Muslim officers to hold most of the higher positions in the military. He knew that they would not dare to betray him because they were totally dependent on him.

In 1983 and 1984 Benny Murdani's ascent to the top post of the Armed Forces, and the army's suppression of the Islamic riots in Tanjung Periok, which left still unknown figures of protestors dead, marked the historic low in the relations between ABRI and the Muslim community. After Tanjung Periok, the army took an active role in convincing Muslim organizations to accept *pancasilla* as their sole

⁷³ Schwanz, 282.

ideological principle, which was finally enshrined in the 1985 political laws.

Having domesticated Islamic organizations such as *Nahdatul Ulama*, *Muhammadiah* and the Islamic Students Association by 1985, ABRI should have been satisfied with its achievements. But its very success undermined fundamental elements of ABRI's legitimacy. Given the reduced danger of Muslim extremism, it was much more difficult for ABRI to explain the need for the continuation of its dominant role in politics. The presence of Christian officers in the top ranks, traditionally seen as a measure for containing ambitions of an Islamic state, was now openly questioned.⁷⁴

This partial legitimacy crisis coincided with the cultural renaissance of Islam in Indonesian society. Caused by the New Order's success in providing secondary and tertiary education to the average Indonesian, devout Muslims began to rise to important positions in the bureaucracy and after some initial resistance by the ABRI leadership in the middle ranks of the military.⁷⁵

At the same time, Benny Murdani's obvious attempts to distance ABRI from the administration and a *Golkar* dominated by Sudharmono confronted Suharto with the possibility that

⁷⁴ Ibid., 172.

⁷⁵ Uhlin, 69.

the armed forces could withdraw their support for the president.⁷⁶

Another reason that weakened the military and Suharto's relationships was that he did not really need military support anymore. Many times Suharto easily showed that he could disregard every military political opinion. In 1988, Suharto ignored the military's concern and picked Sudharmono to be his vice-president. He continued to reduce ABRI's position in his cabinet and made military roles in politics less significant. By this time, the general feeling within ABRI and the retired generals was that only Suharto had the power to do anything in Indonesia. ABRI was very weak and subservient to Suharto.⁷⁷

Sudharmono, who was elected as chairman of *Golkar*, started changing the role of ABRI. He paved a way for the civilian wing of *Golkar* to replace the political role of ABRI in *Golkar*. During this period, Suharto became more "civilianized" and distanced himself from ABRI. Signs of military insubordination emerged during the 1989 legislative assembly when some ABRI representatives started to debate political issues openly. Although it was not obvious, the military was looking for changes in Indonesia's political

⁷⁶ Marcus Mietzner, "Godly Men in Green," *Inside Indonesia*, no. 53, January-March 1998.

⁷⁷ Schwanz, 284.

system. Suharto was very displeased and dropped those involved in that "insubordination" from the legislative assembly.⁷⁸

2. Possible Fractures Within ABRI

Prior to the people's assembly election in March 1993, two factions within Golkar were fighting silently for the position of vice-president. One of the factions that was closely related to Sukarno supported B. J. Habibie, and the other, under military influence, supported Try Sutrisno. A few weeks before the nomination began, ABRI nominated Sutrisno for vice president. They were in fear that they would not succeed in convincing Suharto to choose Sutrisno. Suharto was caught by surprise and it was clear that he was unhappy with ABRI. As a result Suharto dropped some military officers from their current appointments.

Realizing that there was increased pressure from reformers and ABRI sympathizers, Suharto had to look for another formidable alliance. Suharto made an effort to associate with the Muslim organizations that had been shunned by the government previously. Suharto knew that the Islamic organizations had a loyal and strong base among the masses. Suharto is from a secular Muslim family. The first step initiated by him in order to secure Muslim support was

⁷⁸ Robert Lowry, *The Armed Forces of Indonesia*, (St. Leonards, Australia: Allen & Unwin, 1996), 187.

a pilgrimage to Mecca, which was widely publicized. He asked his trusted minister Habibie to form the Indonesian Muslim Intellectual Organization (ICMI) and to open an Islamic bank. This made the military even more disturbed, fearing the rise of Muslim political domination.

ICMI members were selected into the government organization and promoted to take command of important positions in the military. Suharto appointed Faisal Tanjung as ABRI Commander in Chief to replaced Edi Sudrajat. He appointed General Hartono as Army Chief of Staff to replace his brother-in-law General Wismoyo. Both Faisal and Hartono represented the officers who had strong Islamic backgrounds and had long associations with Habibie. Both of them introduced a greater Islamic culture in ABRI. Suharto then continued controlling ABRI by promoting General Wiranto, his former adjutant, General Subagio, and Lieutenant General Sugiyono, former presidential guard, and Lieutenant General Probowo, his son-in-law, to the ABRI's key positions.⁷⁹

Hartono's meteoric rise since 1994, and the general observation that the devout Muslims held key positions after Feisal Tanjung's appointment as ABRI Commander-in-Chief in 1993, led many analysts to the conclusion that the armed forces were split between an Islamic and a nationalist

⁷⁹ John McBeth, "Indonesia: Double or Nothing," *Far Eastern Economic Review*, 26 February 1998.

faction. While the Islamic faction was usually associated with the ICMI and its chairman, the Minister of Research and Technology B.J. Habibie, the nationalists were described as officers following the secular tradition of Benny Murdani.

On the surface, this observation can be reasonably defended. But the curiosity that Feisal Tanjung was assigned as an observer to both of the factions suggests that the categorization along religious and nationalist lines is misleading. Instead, more fundamental problems seem to be the cause for the split in the ranks.⁸⁰

Two facts should be taken into account. First, the "Islamic" faction, by actively mobilizing the support of Muslim organizations for the political elite of the New Order, was merely implementing Suharto's strategic imperatives. Second, the biographical background of officers categorized as nationalists differs in religious terms considerably from that of their Christian and abangan superiors during the 70s and 80s. Officers like Bambang Yudhoyono established excellent relationships with Muslim groups in the regions where they served.⁸¹

⁸⁰ John McBeth, "Cameo Role: Ex-Defence Chief Resurfaces, Giving Clues to Power Play," *Far Eastern Economic Review*, 18 March 1999.

⁸¹ John McBeth, "Balance of Power: Armed Forces Commander Wiranto is Far from Omnipotent," *Far Eastern Economic Review*, 11 June 1998.

Thus, the controversy separating the two groups poses another question. Are the armed forces, a security force with the fundamental task of safe-guarding the unity of the state, or are they a political tool of the incumbent administration? In this context it was a telling moment when Hartono, as Army Chief of Staff, not only distinguished himself as a "green", "Islamic" general, but in 1996 attempted to commit ABRI to *Golkar*. Strengthening the relationship with the Muslim community and tying ABRI to the administration's party were key elements of Hartono's politicization of the army.⁸²

The nationalist camp did not object to the more receptive stance of ABRI vis-à-vis the Muslim community as to the exploitation of Muslim groups as a means of perpetuating the New Order government. ABRI changed the perception of Islam itself and this is no longer part of the controversy. It is a historical development that is unlikely to be reversed in the near future. Only the resurrection of a radical Muslim movement threatening the substance of the state might lead ABRI to reconsider its approach.⁸³

⁸² Harold Crouch, *Wiranto and Habibie: Military-Civilian Relations Since May 1998*, a lecture given at Melbourne and Monash Universities, 11-12 December 1998.

⁸³ Marcus Mietzner, "Godly Men in Green."

3. The Actors

When the New Order regime reduced political parties into three, and mandated them to subscribe to the *pancasilla* ideology, they were too weak to mount any serious political opposition to the ruling government. The opportunity arose when Megawati Sukarnoputri, a daughter to former President Sukarno, was elected to head the Indonesian Democratic Party (PDI) in 1994. She emerged as a serious challenger to Suharto. She became a symbol, especially in Java, for those opposed to the long years of Suharto rule. Megawati's reticent political approach conforms to good Javanese behavior and she is well served by able advisers in the PDI.⁸⁴ In late 1995, Megawati was looking to team up with Abdul Rahman Wahid, the respected leader of Nahdatul Ulama, and a huge Muslim group. But with general elections around the corner, public demands for a larger say in government grew even louder, and the Suharto regime could not afford to let populist politicians take hold. So in June 1996 it engineered Megawati's ouster as PDI Chairwoman and installed its own man in her place. Megawati was unable to contest in the 1997 general election.⁸⁵

⁸⁴ Lee Kam Hing, "Strong Enough Mandate Unlikely," *The Star*, 2 June 1999.

⁸⁵ John McBeth, "Indonesia: Big-Time Players," *Far Eastern Economic Review*, 17 September 1998.

Like any other regime, the elements of various political factions are present in Suharto's New Order regime. Hard-liners believed that the perpetuation of Suharto's New Order regime was possible and desirable. Soft-liners on the other hand believed that, as Indonesians, they helped to establish the New Order regime. But when there were unsolvable problems, they needed to look for some form of electoral legitimization to overcome them.

a) Hard-liners

Hard-liners composed a faction that rejected a transition to democracy. This was mainly made-up of those who had personal relationships, with the president and had their own agendas within the regime. They were the nationalist ABRI officers, Suharto's cronies, his families, and business associates. In the ABRI circle they included Lieutenant General Probowo, Head of Army Strategic Reserve, Major General Sjafrie Syamsuddin, Jakarta Regional Commander, Major General Zacky Anwar Makarim, Chief of Military Intelligence, Major General Suharto, Marine Corp Commander, Brigadier General Budianto, Commander of Bogor military district, and Vice Admiral Achmad Sutjipto, Assistant for Naval Planning.⁸⁶ Suharto's cronies and business associates included multi billion-aires Mohamad Bob

⁸⁶ "Army Purge," *Far Eastern Economic Review*, 18 June 1998.

Hassan, Liem Sioe Liong, Sjamsul Nursalim, Eka Tjipta Widjaja, and Mokhtar Rindy.⁸⁷

b) Soft-liners

Soft-liners saw that it was possible and desirable to have a transition. A majority of politicians, Muslim ABRI officers, cabinet ministers, opposition party members, and middle class Muslims fell into this category. Even Vice President Habibie was believed to be in this group because he actively participated in politics only after Suharto asked him to head the ICMI in the early 1990s. Since then Muslims have seen him as a vehicle for pushing a new political order; one less reliant on the military and reflecting more fairly the interests of Muslims and non-Javanese.⁸⁸

c) Democrats

Notable democrats are the influential Muslim leaders, including Abdul Rahman Wahid, head of the Nahdatul Ulama, Indonesia's largest Islamic organization, and Nurcholish, a Western-trained Islamic scholar with a sizable Muslim middle class following. This group's political leader

⁸⁷ Salil Tripathi, "Shattered Confidence," *Far Eastern Economic Review*, 18 May 1998.

⁸⁸ See Michael Vatikiotis and Adam Schwarz, "A Nation Awakes," *Far Eastern Economic Review*, 4 June 1998, John McBeth and Michael Vitikiotis, "Indonesia: The Endgame," *Far Eastern Economic Review*, 28 May 1998, John McBeth, Michael Vitikiotis et all., "Indonesia: Into the Void," *Far Eastern Economic Review*, 4 June 1998.

stated, "The mainstream wants a non-violent return, The one thing we don't want to do is change Suharto immediately. We need to use the constitution; otherwise there will be chaos."⁸⁹

d) Non-Democrats

Notable non-democrats politician is Amin Rais, head of the Muslim movement Muhammadiyah, who instigated the student to go with demonstrations and led the reformation movement and demanded Suharto's prompt departure.⁹⁰

However, the role played by either the hard-liners, the soft-liners, the democrats, or the non-democrats were not significant until the later stages of the regime in power. The nature of the legitimization and governability of the New Order regime were accepted due to the progress that had been brought.

On the other hand, there are other radical groups that are absolutely in opposition to the state of Indonesia. They are the separatist movement that operate all over Indonesia such as Aceh Merdeka, East Timor Independence Movement, Maluku separatist, and a few other movements in

⁸⁹ Ibid.

⁹⁰ John McBeth and Michael Vitikiotis, "Indonesia: The End Games."

Irian Jaya and Borneo. They rejected outright the legitimacy of Indonesia governing them.⁹¹

4. Legitimacy Crisis

President Suharto always embraced the widely held idea that Asians have their own distinct value system. This meant a preference for economic development over the protection of individual rights and a preference for authoritarianism over chaotic democracy. Suharto successfully quelled occasional bouts of anti-government unrest, but it was the 1997 financial crisis that struck Indonesia that presented him with the gravest political crisis of his rule.⁹² He had failed to foster robust independent institutions that could keep the economy healthy. He had secured lucrative business contracts for his friends, his six children and their families. Indonesia's economy had come to resemble Suharto Incorporation. Most Indonesians had never experienced a year like it. At times their country seemed to be on the brink of anarchy. Then economy disintegrated; people power was born; and the man who ruled over them for more than 32 years finally walked off the political stage.⁹³

⁹¹ "The Year of Living Dangerously: Indonesia after Suharto." Available [Online] <http://www.infoplease.com.spot/indonesia1.html> accessed on 19 September 1999.

⁹² "Suharto, A Political Obituary," *BBC News*, 21 May 1998.

⁹³ Jonathan Head, "Indonesia 98: A Year of Living Dangerously," *BBC News*, 30 December 1998.

It was the collapse of Indonesia's currency at the beginning of the year that suggested President Suharto might be faltering. The price of basic goods rocketed and for a ruler whose legitimacy hung on his economic achievements this was a dangerous development. Time was running out for Suharto and, in the humiliating capitulation, he turned for help to the International Monetary Fund. He had to sign away expensive projects and lost Indonesia's economic sovereignty. Indonesia's once dormant campuses burst into political life. When four students were shot dead in May, there was an explosion of public anger, which turned into an orgy of looting and burning. Hugh crowds of Jakarta's urban poor systematically sacked their own cities, blaming it all on the president. More than 1,000 people were killed and hundreds of buildings were destroyed. The soldiers seemed powerless to stop it. The main target was property owned by the wealthier Chinese minorities. It was one of Jakarta's darkest hours. Nonetheless it gave a new courage to the opposition. Students in thousands marched on the parliament and occupied it. Once a symbol of institutional submissiveness, it became the stage for a spectacular display of popular resistance and a magnet for political dissidents.

5. Liberalization

New election law was annexed prior to the 1999 general election and provided tremendous political liberalization in Indonesia since 1955. One of the biggest changes under the new laws was the electoral law. Previously, legislators were chosen by proportional representation from each of Indonesia's 27 provinces. Voters cast ballots for one of the three officially recognized parties that were *Golkar*, PDI and United Development Party (PPP), rather than individual candidates. The candidates were chosen by the parties and therefore gave their loyalty to party bosses, rather than constituents. The law introduced changes as to where ballots were cast for individuals and established that the top vote-getter wins. In addition only 38 seats would be allotted to the military, a reduction from 75 seats.⁹⁴

The limitation on the establishment of political parties was repealed. In 1999, 48 political parties took part in the election.⁹⁵ Indonesia also signed an East Timor agreement allowing the Timorese to vote on whether to remain part of Indonesia or seek independence.⁹⁶

⁹⁴ John McBeth, "Dawn of a New Age," *Far Eastern Economic Review*, 17 September 1998.

⁹⁵ "Nombor Urut Partai Politik Peserta Pemilu 1999," *Kompass*, 6 May 1999.

⁹⁶ Edith M Lederer, "Indonesia Signs East Timor Agreement," *Associated Press*, 5 May 1999.

The Indonesian military, meanwhile, were prepared to relinquish its 38 non-elected seats at the legislature. "If the people wants it scrapped, we will do away with our representatives at the parliament," said Major General Agus Wirahadikusumah, Assistant for General Planning to the military chief.⁹⁷

6. Transition Process

The Indonesian People's Representative Council passed law number 2 of 1999 on Political Parties. This law amended law number 3 of 1975, which restricted the number of political parties to three. Under 1999 law on Political Parties, it allows any group of more than 50 citizens of Indonesia with voting eligibility to form a political party.⁹⁸ Further, Article 8 of the same law provides that any political party may participate in the election and shall receive equal and just treatment from the state.⁹⁹ As a result forty eight political parties took part on June 7, 1999's general election.¹⁰⁰ The election was held peacefully and the European Union, which sent observers to monitor the general election in Indonesia, said that it considered the

⁹⁷ "Military May Give Up Seats: Indon Armed Forces All Set to Leave Parliament," *The Star*, 27 May 1999.

⁹⁸ Article 2 paragraph 1 of Law of Political Party 1999.

⁹⁹ Article 8 of Law of Political Party.

¹⁰⁰ Thomas Wagner, "Indonesia Take Part in Free Vote," Associated Press, 7 June 1999.

polls "free and transparent."¹⁰¹ Any free and transparent election is a vital factor in the process of democratization.

The process was enhanced further with the introduction of law number 4 of 1999, the Structure and Composition of the People's Deliberation Assembly (MPR), People's Representatives Council (DPR), and Regional People's Representatives Council (DPRD). This law reduces the military representatives to 38 from 75 previously¹⁰².

Other evidence of the transition process was the constitution of the security forces as an autonomous institution of a state. Since 1966 the Indonesian police force was placed under the control of the military. Hence, the military was indirectly responsible for internal security matters. On April 1, 1999 Indonesia's police force was split from the military and was placed under the Home Affairs Ministry. This was part of the internal reform carried out within ABRI to make the police more professional and better able to uphold internal security.¹⁰³

¹⁰¹ "EU Hails Indon Polls 'Free and Transparent,'" *The Star*, 11 June 1999.

¹⁰² Article 11 paragraph (3)(b) of the law of the Structure and Composition of the People's Deliberation Assembly (MPR), People's Representatives Council (DPR), Regional People's Representatives Council (DPRD) 1999.

¹⁰³ "Indonesia Police Split From Military," *The Star*, 1 April 1999.

Indonesia commenced practicing free press, freedom of speech, freedom to organize, implementing civil rights, upholding the rule of law, and the right of representation, and many others.¹⁰⁴ Indonesia has accorded the right of representation to the Timorese, who have chosen to be independent from Indonesia.¹⁰⁵

F. NEW DEMOCRACY

Alfred Stephan argues that democratic transitions are a very slow process. As a yardstick of how slowly such processes can move, he notes that only one of fifteen former Soviet states have developed a truly democratic system, although the process began early in the 1990s.¹⁰⁶ At the present, Indonesia has not reach the stage of a new democracy as yet since there is no clear "first-order understanding" that has been agreed upon among the various players in their political scenario. There was a report of an emerging "pact" between three major Islamic parties and

¹⁰⁴ "Scar of Indon Violence Remain," *The Star*, 26 May 1999.

¹⁰⁵ "Indonesia Signs East Timor Agreement," *Associated Press*, 5 May 1999.

¹⁰⁶ John McBeth, "Dawn of a New Age," *Far Eastern Economic Review*, 17 September 1998.

the Democratic Party of Indonesia after the June 1999 general election.¹⁰⁷

However, there was evidence that a speedy process had already taken place. Interest groups had formed more than forty parties and the legislative assembly had already enacted several new laws replacing the New Order repressive law and limiting the power and representation of the military in Indonesia's politics.¹⁰⁸ Indonesia held a democratic general election on June 7, 1999 and a presidential election on October 20, 1999.

G. MILITARY WITHDRAWAL

Immediately after the ceremony transferring the presidency from Suharto to Habibie on May 21, 1999, General Wiranto, ABRI's commander stepped forward to pledge ABRI's loyalty to the new president and to guarantee the safety and dignity of the old president and his family.¹⁰⁹ Crouch recognized the weakening of ABRI when he said, "The failure of ABRI to prevent the overthrow of Suharto has embolded

¹⁰⁷ "Indon Opposition Party Pact Weakens Golkar," *The Star*, 22 May 1999, "Parti Politik Mula Tawar Menawar," *Berita Harian*, 14 June 1999, and "PAN Willing to Back Habibie," *The Star*, 22 July 1999.

¹⁰⁸ John McBeth, "Dawn of a New Age."

¹⁰⁹ "General Wiranto, Keeping the Army in Tow," *Guide to Indonesia*, available [Online] <http://www.megastories.com/seasia/indonesi/candidat/wiranto.htm> accessed on 18 April 1999.

critics to voice their dis-satisfaction not only with the New Order but also with ABRI itself as the New Order's chief supporter. Many officers were disturbed and demoralized by the public attacks on ABRI. ABRI's reputation reached its nadir on November 13, 1998, when army and police troops fired on students demonstrating against the holding of a special session of the MPR. "Black Friday", as it was called, virtually eliminated whatever progress the ABRI leadership may have made in repairing ABRI's reputation.¹¹⁰

Leading up to the introduction of a new legislation, the military was prepared to relinquish its 38 non-elected seats at the legislature starting in the year 2002.¹¹¹ However, the withdrawal of the military was not complete. The military still possessed certain interests, such as their desire not to see the former president Suharto prosecuted. They still have a strong say within the elite in the *Golkar* party. In the outer islands, a substantial number of people still support the presence of ABRI to protect them from violence carried out by the many terrorist groups.

Interestingly, according to Indonesia's minister for political and security affairs, General Wiranto,¹¹² the

¹¹⁰ Harold Crouch, *Wiranto and Habibie: Military-Civilian Relations Since May 1998*.

¹¹¹ "Military May Give Up Seats," *The Star*, 27 May 1999.

¹¹² General Wiranto was Indonesia's former armed forces chief.

military are not interested in getting involved in politics. He stated that the military does not intend to conduct a coup d' etat even though they were presented with several opportunities¹¹³ since the fall of former president Suharto on May 1998.

¹¹³ "Wiranto: I Chose Not to Launch Coup," *The Star*, 23 January 2000.

V. CONCLUSION

A. WHY THERE WAS A CRISIS

Since the founding of the nation in 1945, the military has played a dominant socio-political role. Under Suharto, this role was skewed to make the military the instrument of the repression with which he consolidated his power. The quarrel between the president and the military in the 1980s and 1990s resulted in the military's unwillingness to give its full support to the president. Furthermore, the new generation of military officers realized that the military should not involve itself in social and political activities, and that this should be left to the people. According to Lieutenant General Susilo Bambang Yudhoyono, the military chief theoretician of reform, "ABRI must reduce its role in politics to a minimum and step back to give civil society more leeway."¹¹⁴ Thus, when the reformation movement took place, the military did not interfere with the call for democratization.

Secondly, it was the collapse of Indonesia's currency at the beginning of 1997 that set off President Suharto's downfall. The price of basic goods rocketed and, for a ruler whose legitimacy depended on his economic achievements, that

¹¹⁴ "New Violence Puts Indonesia's Military at a Crossroads," *New York Times*, 16 November 1998.

was disastrous. Huge crowds of Jakarta's urban poor systematically sacked their own city, blaming it all upon the president. The soldiers seemed powerless to stop it. The main target was property owned by the wealthier ethnic Chinese minorities.¹¹⁵

Suharto's problem became the fact that, as the economy crumbled, many Indonesians felt their country was edging towards chaos. The financial crisis that struck Indonesia in 1997 presented him with the gravest political crisis of his rule. He was alleged to have secured lucrative business contracts for his family. He was also alleged to have practiced cronyism, nepotism, and corruption.¹¹⁶

B. WHY THE TRANSITION OCCURRED

The transition occurred because of the political repression that prohibited the free organizations of a political party, Muslim organizations, and other civil organizations that had resulted as a desire to end the New Order regime. Finally a major cause of the transition was the unequal distribution of wealth. Within Indonesia Suharto preferred his family, close friends, and his cronies to

¹¹⁵ Head, "Indonesia 98: A Year of Living Dangerously."

¹¹⁶ "Suharto: A Political Obituary."

accumulate the wealth, rather than the general population.¹¹⁷

C. WHY THE MILITARY ALLOWED THE TRANSITION

The direct role of ABRI in government had been in decline since the early 1980s. In the late 1980s, Suharto increasingly civilianized his regime and particularly cultivated the support of modernist Muslims. Debate over ABRI's new approach had been taking place within ABRI over the previous few years about its proper role in society. More intellectual officers argued that Indonesian society had undergone enormous changes as a result of successful economic development. This had been accompanied by the spread of education and the rise of a middle class, which was no longer willing to accept military domination. These officers argued that such changes had created a legitimacy problem for ABRI, which had no choice but to adjust to the new situation that it faced.

The call for reform presented intellectual ABRI officers with the opportunity to express their ideas more openly. They respected the will of civil society to form a new legitimate government. ABRI has gradually begun to withdraw from the socio-political role that entangled it for so long a time.

¹¹⁷ Salil Tripathi, "Children of a Lesser God," *Far Eastern Economic Review*, 4 June 1998.

D. PROSPECTS FOR THE NEW DEMOCRACY

A new law was enacted to limit ABRI representation in the People's Deliberation Assembly to 38. A democratic election was first held in Indonesia on June 7, 1999 after a lapse of 42 years. A total of 462 representatives were elected to the People's Deliberation Assembly. On October 30, 1999, Abdul Rahman Wahid was elected as the first democratically elected president of Indonesia. This was encouraging for the prospect of democracy in Indonesia.

However, the June 7, 1999 election did not provide a single party with a majority out of the forty-eight parties that took part in the election. The elected president was not from a party that secured the most seats in the People's Deliberation Assembly but that rather emerged through compromise made among all the political parties and the ABRI. All the major parties were represented in the President Abdul Rahman Wahid's cabinet in the form of a grand coalition. Once more there was no opposition in Indonesia's politics. A coalition government similar to the one that Indonesia had during its constitutional democracy (1949 to 1957) was in place. Four ministers were appointed directly from the ABRI. Former ministers under Suharto were re-appointed in this new cabinet.

Democratization had proven to be expensive for Indonesia. This archipelago state initially lost East Timor

on the eve of its transition to democracy. A second separatist movement located at the north of Sumatra known as Aceh Merdeka (Free Aceh) also conveyed the message that they intended to break away from Indonesia. President Abdul Rahman agreed to a referendum in Aceh like that accorded to East Timor to vote on their future. This was strongly objected to by many senior officials and the military.¹¹⁸ Jakarta was not ready to let Aceh go. The government feared that if Aceh slipped away, other provinces would soon follow. Amin Rais, an Islamic leader and chairman of the People's Deliberation Assembly told Newsweek, "You have to calm people down. Time may not be on our side. If Aceh breaks away, we will break apart."¹¹⁹ Other separatist movements are mushrooming in the Maluku Islands, Borneo, Riau, Irian Jaya, and New Guinea. There is continual ethnic bloodshed, which claims lives almost daily.¹²⁰

Barely one month after announcing the composition of his cabinet, the president issued an instruction to investigate three of his ministers for alleged corruption. In another incident, one of the senior ministers, Hamzah Haz, (the chairman of the third largest party in the

¹¹⁸ "Indonesia's Wahid Stands by Aceh Vote Plan," *Reuters*, 18 November 1999.

¹¹⁹ Ron Moreau, "The Promise of Trouble," *Newsweek*, 22 November 1999.

¹²⁰ "Troops Fire in Ambon," *Reuters*, 26 November 1999.

coalition) had quit Abdul Rahman's cabinet. A top politician stated Hamzah's departure was not a good sign. "It has been only one month and there is already a change. This rarely happens. So it needs better control from the president," said Amin Rais.¹²¹

E. CONCLUSION

Indonesia has successfully begun democratization. The repressive Suharto regime has been overthrown by the citizenry. A new democratic government has been elected. The process of democratization is not as smooth as expected. Indonesia's government has to move fast to regain the public trust and to direct the fourth most populous nation in the right direction.

Even though the authoritarian regime is no longer in power, a clean break from former authoritarian habits has not yet fully developed in Indonesia. Indonesia is still some distance away from achieving total democratization. Indonesians have to accept a total socio-political paradigm shift in order to achieve a democratic civil society.

The government must take prudent steps to avoid disintegration among its many territories and islands. Lately, many territories and separatist movements have made vocal demands for independence or greater autonomy. The

¹²¹ "Indonesia Minister Quits," *Reuters*, 26 November 1999.

majority of these places are in areas that provide Indonesia with major economic resources. If these areas are allowed to be independent or are given greater autonomy, Indonesia will face a greater economic crisis. This can be seen as one of the negative aspects of democratization.

Nevertheless, at present the majority of Indonesian aspirations have been realized. They have better representation and a better right to express themselves. They no longer live under the repressive regime that dictates every aspect of their daily routine. Whether this lasts remains to be seen.

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